

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 3055-01  
BILL NO. HB 1249  
SUBJECT: Construction and Building Codes; Public Buildings; State Departments.  
TYPE: Original  
DATE: March 9, 2000

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**FISCAL SUMMARY**

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| ESTIMATED NET EFFECT ON STATE FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2001    | FY 2002    | FY 2003    |
| None  | \$0        | \$0        | \$0        |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2001    | FY 2002    | FY 2003    |
| None  |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON LOCAL FUNDS |            |            |            |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED                       | FY 2001    | FY 2002    | FY 2003    |
| <b>Local Government</b>             | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses

This fiscal note contains 4 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Labor and Industrial Relations (DOL)**, the **Attorney General's Office (AGO)**, **Department of Economic Development (DED)** and the **Missouri Department of Conservation (MDC)** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Coordinating Board for Higher Education (CBH)** assume the proposed legislation would have no fiscal impact on its agency since the CBH does not participate directly in construction projects or bidding. The requirements could potentially have an impact on colleges and universities.

Officials from the **Department of Natural Resources (DNR)** assume the proposed legislation would have no fiscal impact on its agency since the DNR works with Office of Administration - Design and Construction on any contractors wishing to bid on state building contracts.

Officials from the **Office of Administration - Division of Design and Construction (COA)** assume that if this legislation is passed, additional time would be required to review bid packages. Based on recent history, four new contractor bid packages would be reviewed each month. The COA assumes they would need to hire a .25 Contract Specialist I to handle additional review time (approximately 14 hours) for each new contractor bid package. The COA estimates that the salary plus the associated expense and equipment would be \$11,989 for FY01; \$12,549 for FY02; and \$13,136 for FY03.

Officials from the **Department of Transportation (DHT)** assume the additional paperwork to be reviewed that will result from this legislation will create a need for at least one full-time employee for DHT.

The additional employee would include one clerk (1 FTE at \$25,128 per year) to handle the increased administrative responsibilities of developing and reviewing forms for new contractors to become pre-qualified to bid generally. Responsibilities also include communicating with other state agencies to determine those firms which have worked for the state; storing all the new data this bill will require; making the general pre-qualification determinations; specifically pre-qualifying the new firm to bid on each individual contract; and handling the litigation which may arise in contractors contesting a bid pre-qualification denial. The DHT estimates that the salary plus the associated expense and equipment would be \$37,344 for FY01; \$37,909 for FY02; and \$38,859 for FY03.

ASSUMPTION (continued)

**Oversight** assumes that the proposed changes to the bid process could be incorporated into the current review procedures for projects with an estimated cost in excess of \$200,000 and could be performed with existing personnel. Therefore, costs associated with the additional FTE for the COA and the DHT have not been included in the fiscal impact specifications below.

| <u>FISCAL IMPACT - State Government</u> | FY 2001 | FY 2002 | FY 2003 |
|---|---------|---------|---------|
|   | 0       | 0       | 0       |

| <u>FISCAL IMPACT - Local Government</u> | FY 2001 | FY 2002 | FY 2003 |
|---|---------|---------|---------|
|   | 0       | 0       | 0       |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation prohibits the state of Missouri or any state construction manager from accepting any bid for any construction or repair project with an estimated cost of more than \$200,000 from a contractor who has not performed work for the state during the preceding 5 years unless the contractor meets certain minimum qualifications. The qualifications that a contractor must meet include experience and ability to complete the project. All information supplied by the contractor for determination of minimum qualifications is a closed record.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
Attorney General's Office  
Department of Economic Development  
Missouri Department of Conservation  
Coordinating Board for Higher Education  
Department of Natural Resources  
Office of Administration - Division of Design and Construction  
Department of Transportation

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large, looped initial "J" and a cursive script for the rest of the name.

Jeanne Jarrett, CPA  
Director  
March 9, 2000